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Cases of Note-Copyright-Substantial Similarity

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LEGAL ISSUES



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Cases of Note — Copyright — Substantial Similarity

Column Editor: **Bruce Strauch** (The Citadel, Emeritus) <bruce.strauch@gmail.com>

TAYLOR CORPORATION V. FOUR SEASONS GREETINGS, UNITED STATES COURT OF APPEALS FOR THE EIGHTH CIRCUIT, 403 F.3d 958; 2005 U.S. App. LEXIS 5866.

Four artists worked designing cards for **Creative Card Company**. They created six card designs that caused this action. **Creative Card** was the copyright owner due to the employment relationship.

You know. The old Work-for-Hire thingy.

The President ditched **Creative Card**, formed **Four Seasons** and hired three of the four artists. And how original is anyone? They created six card designs awfully similar to six they had done at **Creative**.

Then **Creative Card** went bankrupt.

Taylor Corp., yet another greeting card company, bought **Creative's** assets including "all intellectual property of the Business, including ... copyrights ... artwork, designs and other intangible property." An attached schedule listed hundreds of greeting card designs among which was the disputed six.

And **Taylor** sued **Four Seasons** for copyright infringement saying the six new were "substantially similar" to the former six. At the trial court, **Taylor** won on infringement and got an injunction against **Four Seasons** prohibiting any future use of the designs.

Four Seasons appealed primarily on the basis the trial court had failed to identify what elements of the cards were original.

Presumably wanting to use the unoriginal bits.

The Appeal

Four Seasons argued that an appeal of substantial similarity required a de novo review citing the Second Circuit's **Boisson v. Banian, Ltd.**, 273 F.3d 262, 272 (2d Cir. 2001); **Folio Impressions, Inc. v. Byer Cal.**, 937 F.2d 759, 766 (2d Cir. 1991). Their reasoning was substantial similarity only required making a visual comparison of two works rather than re-judging the credibility of witnesses.

However, Federal Rule of Civil Procedure 52(a) is clear that "in all actions tried upon the facts without a jury ... the court shall find the facts." And then describes the standard of appellate review. "Findings of fact, whether based on oral or documentary evidence, shall not be set aside unless clearly erroneous."

Settling that little issue rather neatly. And what's wrong with the Second Circuit?

Substantial Similarity

The Eighth Circuit (that's where this case is) uses a two-step analysis: extrinsic and intrinsic tests.

Is there a similarity of ideas? This is looked at extrinsically, focusing on objective similarities in the details of the work.

Is there a similarity of expression? This is analyzed intrinsically asking the response of the ordinary, reasonable person.

Can anyone seriously follow this? Let's try harder.

Extrinsic: card designs share similar ideas.

Intrinsic: designs share similarities of expression.

It actually makes a tad more sense when you see the titles of the cards: Colored Presents, Ribbon of Flags Around Globe, Three Worlds of Thanks, Globe Ornament, Pencil Sketch Farm, Thanksgiving Cart, and Wreath with Verse.

And if you Google "Taylor Greeting Cards Thanksgiving



Cart" you can get a sense of the two elements without having to rely on the dessicated abstraction of legalese.

Four Seasons didn't dispute the extrinsic analysis. For example, similar holiday themes: Thanksgiving, Christmas wreath with verse.

But it argued the district court on the intrinsic analysis should filter out the unprotectable elements, also known as analytic dissection.

And you can see their point. How are they to do holiday themes without using a pumpkin or a fir tree?

But the Second Circuit rejected this labor. See **Dr. Seuss Enters. v. Penguin Books USA, Inc.**, 109 F.3d 1394, 1399 (9th Cir. 1997). The ordinary, reasonable observer views it as a whole and asks if there is substantial similarity.

Pumpkins and fir trees are obvious fair game. Are they drawn, arranged, colored the same? What about design and use of lettering?

The district court did an exhaustive side-by-side comparison noting the similarities. 🌲

Questions & Answers — Copyright Column

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QUESTION: *An academic author asks about the CASE Act and its likelihood for passage in the near future.*

ANSWER: The **Copyright Alternative in Small-Claims Enforcement Act of 2017 (CASE Act)**, H.R. 3945 is a bill that was introduced to help professional creators and small business owners who rely on the copyright system for their businesses. The act seeks to address problems caused by the fact that the copyright system provides rights for these

creators and businesses but it has no effective means for them to enforce their rights outside of expensive federal litigation. The **American Intellectual Property Law Association** estimates that the cost of litigating through the appeals process is \$350,000, and federal litigation is too complicated for creators and small businesses to take on without the assistance of counsel. A survey by the **American Bar Association** found that most attorneys would

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not consider taking a case if the amount in controversy is less than \$30,000. Thus, copyright infringement often goes unchallenged and many creators and small businesses feel disenfranchised by the copyright system.

This is especially acute for creators such as photographers, graphic artists, authors, songwriters, bloggers and YouTubers because the individual value of their work is often too low for warrant the expense of litigation. The **CASE Act** is an attempt to rectify this and give creators a small claims process to address infringement through a hearing before a three-judge board within the U.S. Copyright Office. The process would be voluntary for both parties. It limits an alleged infringers' liability to \$15,000 per work and \$30,000 total and insulates them from awards of attorney fees unless they act in bad faith. This is in contrast to litigation where statutory damages range from \$30,000 per act of infringement up to \$150,000 if the infringement is found to be willful (and courts often finds willfulness).

Moreover, the board can hear claims by both creators and by users. The act dictates that the Librarian of Congress appoint board members who must have experience representing the interests of both users and creators. They will be required to follow legal precedence in deciding cases. A similar act in the United Kingdom resulted in more settlements rather than more litigation.

The bill is a bipartisan one and appears to be good for both the creators of copyrighted works and users, but there is no way to predict what Congress will do with it.

QUESTION: *A school librarian asks the best way to provide student access to online tutorials that teach software skills.*

ANSWER: It depends on the copyright status of the online tutorial. For example, if the work is copyrighted, as are most commercially produced tutorials, one must read the copyright notice and seek permission to reproduce the tutorial unless the notice specifies otherwise. If the tutorial is published online with a **Creative Commons** license, then the terms of that license apply. If the author of the tutorial indicates that it may be freely used with no restriction, then the tutorial may be reproduced for students either in print or on a copyright management system. An alternative is to provide students with links to the tutorials rather than reproducing them.

QUESTION: *A city's public library has a large collection of published sheet music. A*

librarian asks whether it is copyright infringement to provide a digital copy of copyrighted sheet music to an individual patron upon request.

ANSWER: The **U.S. Copyright Act**, section 108(d) permits libraries to make single copies of portions of works for a user upon request. There are exclusions from this section of the Act, however. Section 108(i) states that exceptions provided in section 108 "do not apply to a musical work, a pictorial, graphic or sculptural work, or a motion picture or other audiovisual work other than an audiovisual work dealing with the news." A musical work may be embodied in sheet music, a musical recording, etc., so libraries do not have permission to reproduce sheet music even in response to a user request.

Certainly, fair use applies, but fair use most often applies to a portion of works not to the full work. Sheet music for an entire song is an entire copyrighted work. Today, there are many cost effective online sources for digital copies of sheet music to which a user can be referred.

QUESTION: *A university librarian asks whether the recent WikiLeaks posting of Michael Wolff's new book on President Trump, Fire and Fury, constitutes copyright infringement.*

ANSWER: The press has reported that WikiLeaks tweeted what appeared to be a full-text PDF copy of the work right after the book reached the bestseller list. Typically, one who posts an infringing copy of a work online is liable for direct copyright infringement. A harder question is posed when person "A" posts the work and person "B" distributes a link to the infringing content. Liability for sharing the link is less likely to be infringement. However, when person "C" downloads the infringing content, he or she has also infringed the copyright.

In this instance, WikiLeaks says that "someone" leaked the content online and it simply tweeted the link to where the content could be found. Thus, the question is whether WikiLeaks is liable for inducing or contributing to infringement. After the tweet, Google removed the PDF file as soon as it became aware of it. Therefore, in reality, this may be more of a hypothetical question than one of actual liability.

QUESTION: *A public librarian reports reading something about the late night talk*

show host, Conan O'Brien, and the infringement of copyrighted jokes. She asks whether jokes are copyrightable.

ANSWER: For years, social norms have dictated that comedians not steal the jokes of other comedians. Anyone who takes another's joke is more or less shamed by other comedians. The copyright question though is an interesting one, however, and a recent case may have further confused the matter.

Jokes, like other literary works, qualify for copyright protection if they possess at least a minimal amount of originality and contain enough expression, more than a short phrase. A freelance comedy writer, **Robert Kaseberg**, claims to have posted four jokes on Twitter, which **Conan** used on his show in an altered form. At issue is whether the jokes were or should have registered for copyright and, if so, whether **Conan** infringed the jokes. The federal district court for the Southern District of California ruled in

May 2017 that the case would not be decided on summary judgment but would go forward to trial. In her ruling, the judge held that jokes qualify only for thin copyright protection. According to the court, most jokes begin with a factual sentence and are followed by a second sentence punch line. The underlying idea of the joke, as well as the facts in the first sentence of a joke, are not copyrightable. Further, a joke does not have to be identical to a copyrighted one to infringe. Jokes have a limited number of variations in protectable expression which gives them only thin protection because they must be (1) humorous; (2) as applied to the facts articulated in the joke's first sentence; and (3) provide mass appeal.

The trial was originally to be held in August 2017, but further disputes have arisen over whether some of the jokes should have been registered and whether the plaintiff's lawyer committed fraud before the Copyright Office in the documentation submitted for registration of one of the jokes. In November, **Conan's** lawyers filed a complaint with the original judge on these matters.

When the case goes forward on its merits, it should provide some clarity on copyright infringement of jokes. Regardless of the outcome, whether it will have any effect on the social norms among comedians is not known. 🐼

